

# Capital Program Report Fourth Quarter 2007

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### Fourth Quarter 2007

#### Introduction and Definitions

As required by the *RTA Act*, each year, after public hearings, the RTA must adopt a five-year capital program that describes, by year, the nature, location and cost of all capital projects. Subsequent amendments to the capital program may occur due to funding shifts and Service Board priority changes. The *Capital Program Report* describes the status and actions of *Previous Programs* and the current *Annual Program* (2007 for this report). Definitions associated with Program activities are described below.

#### **Grant Awards**

The Service Boards receive grants from funding agencies, primarily the RTA, the Illinois Department of Transportation (IDOT) and the Federal Transit Administration (FTA). These grant awards are for projects included in the RTA's *Annual Program*. The RTA issues grant agreements (or awards) to the Service Boards based on their applications that reflect their approved capital program and marks. The capital marks reflect funds available to the Service Boards. Grant awards also include projects funded with monies such as bond proceeds or operating surpluses provided through the Service Boards' adopted budgets.

#### **Obligations**

In contrast to operating funds, which are used to provide mass transit services, the Service Boards use capital funds to repair, replace, and enhance their capital assets. The Service Boards *obligate* capital funds when they sign a contract with a third party (such as a vendor, consultant or contractor) or when they reserve the funds to pay the Service Boards' own labor to perform the work.

#### **Expenditures**

The Service Boards expend funds when they incur costs for the work completed by a third party (such as a vendor, consultant or contractor) or by the Service Boards' own labor.

#### Annual Program

The RTA five-year capital program is comprised of two elements: *Annual Program* that represents the current fiscal year, and an out-year program that represents future programming years.

#### Previous Programs

This section contains a collection of all previous *Annual Programs* as adopted yearly by the RTA Board. Please note that in this report the *Previous Programs* exclude completed and closed grants. Therefore, the total amount may be less than the originally approved amount per any given *Annual Capital Program*.

### Fourth Quarter 2007

#### **Introduction and Definitions (continued)**

#### SCIP bonds

The *Illinois FIRST* legislation of 1999 was directed towards improving the state's infrastructure. As part of the state's *Illinois FIRST* Program, the RTA's authorization to issue Strategic Capital Improvement Program (SCIP) bonds was increased by \$1.3 billion to \$1.8 billion. This authorization became effective in \$260 million increments each January 1, starting with 2000. The State of Illinois pays the RTA an amount equal to the debt service on these bonds. The Governor must approve a SCIP Plan prior to the use of SCIP bond proceeds to pay for any project in the Plan.

In 2006, an amendment to the *RTA Act* clarified that the SCIP program includes all of the "net available proceeds" from the SCIP bonds. An ordinance passed by the RTA Board amended the Capital Improvement Plan to add \$113.3 million in project funding, bringing the total project funding from additional SCIP bonds to \$1,413.3 million.

In the *Capital Program Report*, SCIP bonds refer to the additional \$1,413.3 million in SCIP bonds authorized by *Illinois FIRST*.

#### Un-obligated

The *Un-obligated* amount is the grant award total less the obligated amount.

#### Federal Un-obligated Balance

The *Federal Un-obligated Balance* is the un-obligated funding for all projects financed with federal and matching local grants. The *RTA Act* requires that the *Federal Un-obligated Balance* for the region must be below \$350 million to allow the RTA to submit SCIP projects to the Governor for approval. The *RTA Act* does allow the Governor to waive this requirement.

#### Un-expended

The *Un-expended* amount is the grant award total less the expended amount.

# Fourth Quarter 2007

(In millions of dollars)

#### **Capital Program Activity**

Once the capital program is adopted by the RTA Board, the Service Boards can apply for grants from various funding agencies, such as the Federal Transit Administration (FTA), Illinois Department of Transportation (IDOT) and the RTA. As a reminder, the State Fiscal Year (SFY) starts on July 1st, or six months prior to the RTA's calendar year, and the Federal Fiscal Year (FFY) starts on October 1st, or three months prior to the RTA's calendar year. Under normal circumstances, all funds (RTA, FTA, and IDOT) would be available on January 1st to issue grants to the Service Boards. However, in the last few years due to Congressional delays, the allocation of federal funds was delayed until after the beginning of the calendar year (January-March). The table below summarizes the last two years of capital program grant award activities versus the adopted capital program (new awards only).

	2006 Annual Program	Grant Awards thru 12/31/07
CTA Metra Pace	\$302.6 197.6 21.3	\$292.3 190.9 20.8
All Service Boards	\$521.5	\$503.6
	2007 Annual Program	Grant Awards thru 12/31/07
CTA Metra Pace	\$342.1 124.2 13.1	\$334.7 115.1 10.2

As summarized in the table above, almost all of the funding for the 2006 Annual Capital Program has been awarded or otherwise available to the Service Boards. The remaining un-awarded funds are primarily from federal flexible discretionary funding sources such as the Section 5309 Bus and Bus Facilities and Section 5339 Alternative Analysis. The Service Boards expect the award of all these funds by various federal agencies in the near future.

As of the end of 2007, capital grants issued to the Service Boards represent 96 percent of the 2007 Capital Program. The FTA awarded the Service Boards their 2007 formula fund grants. The remaining un-awarded funds are primarily the federal discretionary bus and flexible fund grants.

# Fourth Quarter 2007

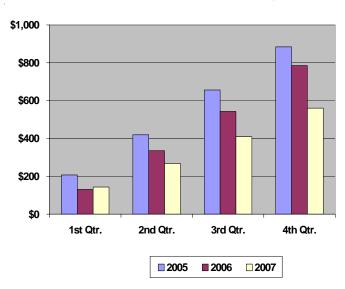
(In millions of dollars)

#### **Regional Obligations**

	Un-obligated	January-December	January-December	Un-obligated
	as of 12/31/06	Grant Awards	Obligations	as of 12/31/07
2007 Capital Program	N/A	\$460.0	\$133.5	\$326.5
Previous Programs	665.6	48.7	426.7	287.6
Total	\$665.6*	\$508.7	\$560.2	\$614.1

<sup>\*</sup>Total un-obligated amount excludes grants closed by the Service Boards through December 31, 2007. Obligated amounts reflect the actual obligations for grants awarded to date plus amounts equal to contract obligations under the CTA's advance contract authority for the Brown Line Capacity Expansion project.

### Cumulative Regional Obligations by Quarter



The obligations for the fourth quarter of 2007 for the Service Boards totaled \$150.9 million of the \$560.2 million obligated for the year.

The regional un-obligated balance as of December 31, 2007 was \$614.1 million. For the same period in 2006 and 2005, this balance was \$665.6 million and \$716.9 million respectively. During the last three years, the region's un-obligated balance decreased by \$102.8 million.

### Fourth Quarter 2007

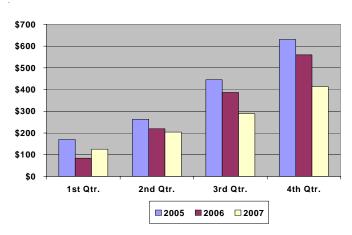
(In millions of dollars)

#### **CTA Obligations**

	Un-obligated	January-December	January-December	Un-obligated
	as of 12/31/06	Grant Awards	Obligations	as of 12/31/07
2007 Capital Program	N/A	\$334.7	\$ 61.3	\$273.4
Previous Programs	432.4	36.4	352.2	116.6
Total	\$432.4*	\$371.1	\$413.5	\$390.0

<sup>\*</sup>Total un-obligated amount excludes grants closed by the CTA through December 31, 2007. Obligated amounts reflect only the actual obligations for grants awarded to date plus amounts equal to contract obligations under the CTA's advance contract authority for the Brown Line Capacity Expansion project.

### CTA Cumulative Obligations by Quarter



The fourth quarter of 2007 obligations for the CTA totaled \$124.6 million of the \$413.5 million obligated for 2007. These obligations include \$34 million for the upgrade and renewal of signal and power distribution systems on the Loop elevated structure and Blue Line, \$32 million for tie replacement to reduce slow zones on the O'Hare Branch of the Blue Line and the Dearborn and State Street subways, \$11.7 million for the purchase of rail cars, \$10.6 million for the purchase of buses and \$10.5 million for the facilities improvements.

The CTA's un-obligated balance as of December 31, 2007 was \$390 million. For the same period in 2006 and 2005, this balance was \$432.4 million and \$477.9 million respectively. During the last three years, the CTA's un-obligated balance decreased by \$87.9 million. The CTA is currently in the process of re-programming a significant amount of funds from completed or lower priority projects to higher priority projects that utilize these funds and further reduce the un-obligated balance.

# Fourth Quarter 2007

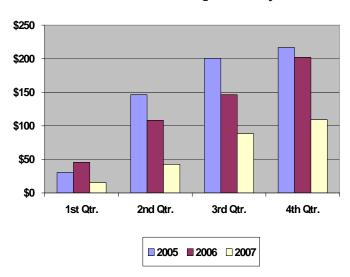
(In millions of dollars)

#### Metra Obligations

	Un-obligated as of 12/31/06	January-December Grant Awards	January-December Obligations	Un-obligated as of 12/31/07
2007 Program Previous Programs	N/A 178.7	\$115.1 2.4	\$65.0 44.1	\$50.1 137.0
Total	\$178.7*	\$117.5	\$109.1	\$187.1

<sup>\*</sup>Total un-obligated amount excludes closed grants by Metra through December 31, 2007.

#### Metra Cumulative Obligations by Quarter



Metra's fourth quarter of 2007 obligations totaled \$20.7 million of the \$109.1 million obligated for 2007. These obligations include \$2.1 million to enhance locomotives and commuter cars, \$1.9 million to improve the 47th Street Yard on the Rock Island District and \$1.2 million to renew the Gresham interlocker on the Rock Island District.

Metra's un-obligated balance as of December 31, 2007 was \$187.1 million. For the same periord in 2006 and 2005, this balance was \$178.7 million and \$171.2 million. The un-obligated balance in 2007 increased, however, viewing Metra's obligation history, it is not an unreasonable amount when compared to their average annual capital program of \$247.4 million for the past five years.

# Fourth Quarter 2007

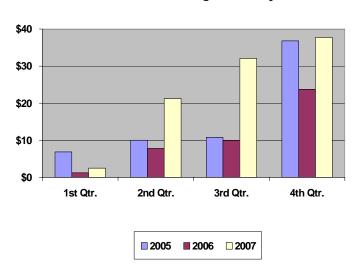
(In millions of dollars)

### Pace Obligations

	Un-obligated	January-December	January-December	Un-obligated
	as of 12/31/06	Grant Awards	Obligations	as of 12/31/07
2007 Program	N/A	\$ 10.2	\$7.2	\$3.0
Previous Programs	54.5	9.9	30.5	33.9
Total	\$54.5*	\$20.1	\$37.7	\$36.9

<sup>\*</sup>Total un-obligated amount excludes grants closed by Pace through December 31, 2007.

#### Pace Cumulative Obligations by Quarter



Pace obligated \$5.7 million in the fourth quarter of 2007 of the \$37.7 million obligated for 2007. These obligations include \$4 million to install the Enterprise Resource Planning system, \$0.6 million to purchase community vehicles and \$0.5 million to purchase computer equipment.

Pace has an un-obligated balance of \$36.9 million as of December 31, 2007. For the same period in 2006 and 2005, this balance was \$54.5 million and \$67.8 million respectively. During the preceding three years, Pace's un-obligated balance decreased by \$30.9 million. Pace's un-obligated balace at the end of 2007 is slightly above their average capital program amount for the last six years.

# Fourth Quarter 2007

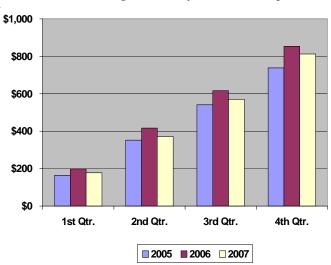
(In millions of dollars)

#### Regional Expenditures

	Un-expended as of 12/31/06	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/07
2007 Program Previous Programs	N/A 1,570.3	\$460.0 48.6	\$52.0 760.5	\$408.0 858.4
Total	\$1,570.3*	\$508.6	\$812.5	\$1,266.4

<sup>\*</sup>Total un-expended amount excludes grants closed by the Service Boards through December 31, 2007.

#### Cumulative Regional Expenditures by Quarter



Expenditures in the fourth quarter of 2007 were \$242.2 million of the \$812.5 million expended by the Service Boards for 2007.

The regional un-expended balance as of December 31, 2007 was \$1.3 billion. For the same time period in 2006 and 2005, the un-expended balace was \$1.6 billion each year. On an average in the five years from 2003 to 2007, the Service Boards expended \$861 million per year. The Service Boards have seen a reduction in expenditures in the last three years as compared to the five year average. This decrease reflects the lack of state funding, the expiration of *Illinois FIRST* funding in 2004 and the use of federal capital funds by the Service Boards in recent years for operations.

# Fourth Quarter 2007

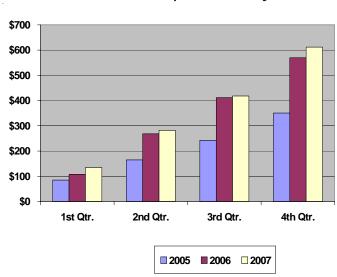
(In millions of dollars)

#### **CTA** Expenditures

	Un-expended as of 12/31/06	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/07
2007 Program Previous Programs	N/A 1,095.5	\$334.7 36.4	\$28.2 583.4	\$306.5 548.5
Total	\$1,095.5*	\$371.1	\$611.6	\$855.0

<sup>\*</sup>Total un-expended amount excludes grants closed by the CTA through December 31, 2007.

#### CTA Cumulative Expenditures by Quarter



The fourth quarter of 2007 expenditures for the CTA totaled \$193.5 million of the \$611.6 million expended for 2007. These expenditures include \$41.3 million for the purchase of replacement buses, \$38.4 million for the Brown Line capacity expansion and \$19.9 million for the construction of the Washington Intermodal Station. It also includes \$18.5 million for the renewal of track and structure, \$17.9 million for the upgrade and the replacement of signal and power distribution systems and \$10 million for the purchase of rail cars.

The un-expended balance as of December 31, 2007 for the CTA was \$855 million. This balance decreased \$240.5 million from 2006 and \$243.4 million from 2005. On an average, the CTA expended \$492 million per year in the past five years.

# Fourth Quarter 2007

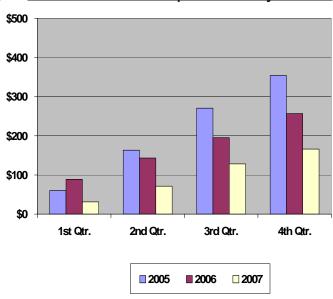
(In millions of dollars)

# Metra Expenditures

	Un-expended as of 12/31/06	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/07
2007 Program Previous Programs	N/A 379.5	\$115.1 2.4	\$23.8 142.4	\$91.3 239.5
Total	\$379.5*	\$117.5	\$166.2	\$330.8

<sup>\*</sup>Total un-expended amount excludes grants closed by Metra through December 31, 2007.

#### Metra Cumulative Expenditures by Quarter



The fourth quarter of 2007 expenditures for Metra were \$37.9 million of the \$166.2 million expended for 2007. These expenditures include \$3.5 million for the replacement of ties and ballast on the Rock Island, Milwaukee and Electrict districts, \$2.3 million for the reconstruction of six stations on the Electric District South Chicago Branch, \$2.3 million for enhancements to locomotives and commuter cars, \$2.2 million to renew ties and ballast on the Rock Island District and \$2 million for the replacement of bridges on the Rock Island District.

Metra's un-expended balance as of December 31, 2007 was \$330.8 million which is \$48.7 million lower that for the same period in 2006 and \$96.1 million lower than the same period in 2005. Metra's unexpended balance of \$330.8 million as of December 31, 2007, is almost equal to their average annual expenditures of \$329 million for the last five years. Metra has seen their annual expenditures decline from \$496.5 million in 2003 to \$166.2 million in 2007 due to the reduction in the size of the Capital Program. 10

# Fourth Quarter 2007

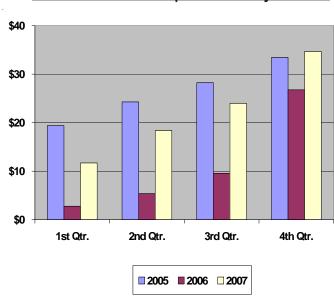
(In millions of dollars)

#### Pace Expenditures

	Un-expended as of 12/31/06	January-December Grant Awards	January-December Expenditures	Un-expended as of 12/31/07
2007 Program Previous Programs	N/A 95.2	\$10.2 9.9	\$0.0 34.7	\$10.2 70.4
Total Funds	\$95.2*	\$20.1	\$34.7	\$80.6

<sup>\*</sup>Total un-expended amount excludes grants closed by Pace through December 31, 2007.

# Pace Cumulative Expenditures by Quarter



The fourth quarter of 2007 expenditures for Pace were \$10.7 million of the \$34.7 million expended for all of the year. This includes \$6.9 million for the purchase of fixed route buses and \$1 million for the purchase of community vehicles.

The un-expended balance as of December 31, 2007 for Pace was \$80.6 million which is \$14.6 million lower that for the same period in 2006 and \$30.9 million lower than the same period in 2005. For the past five years, Pace expended an average of \$40.3 million per year. At the current rate, the un-expended balance represents approximately two years worth of spending.

# Fourth Quarter 2007

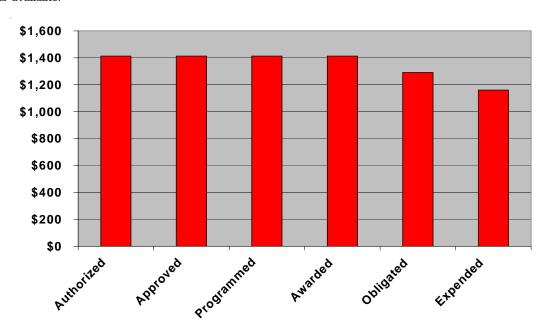
(In millions of dollars)

### Strategic Capital Improvement Program (SCIP) Status

### Regional

Authorization Year	n <u>Authorized</u>	<u>Approved</u>	<u>Programmed</u>	<u>Awarded</u>	<u>Obligated</u>	Expended*	
2000	\$260.0	\$260.0	\$260.0	\$260.0	\$258.9	\$255.3	
2001	260.0	260.0	260.0	260.0	251.1	241.1	
2002	260.0	260.0	260.0	260.0	238.5	229.4	
2003	260.0	260.0	260.0	260.0	228.1	209.1	
2004	260.0	260.0	260.0	260.0	217.5	199.7	
2006	113.3	113.3	113.3	113.3	97.9	41.8	
Total	\$1,413.3	\$1,413.3	\$1,413.3	\$1,413.3	\$1,292.0	\$1,176.4	

<sup>\*</sup>Projects remain identified with a specific bond issue for reporting purposes only. Actual payments use the earliest bond proceeds available.



In 2006, an amendment to the RTA Act clarified that the SCIP Plan can include projects that do not exceed "the proceeds of" SCIP Bonds. This permitted the RTA to program an additional \$113.3 million of SCIP projects bringing the approved SCIP budget to \$1,413.3 million. All of the SCIP grants for these new funds have been awarded to the Service Boards. The Service Boards have obligated approximately 91 percent and expended 83 percent of the approved SCIP budget.

### Fourth Quarter 2007

#### **Project Highlights**

#### **CTA**

#### **Expand Capacity for Brown Line**

During the fourth quarter of 2007, FHP Techtonics Corporation (FHP) continued work on the new center tracks at the Belmont and Fullerton stations. At the Belmont Station, FHP erected structural steel, poured concrete for the new track deck and installed the running rail for the new tracks. FHP also installed stairs for the new northbound platform. At the Fullerton Station, FHP installed ties, running rail and contact rail for new center tracks and installed lighting fixtures for the northbound platform.

At the Armitage Station, FHP installed the new elevator cars, restored the brick work for the historic station house and installed masonry for the new portion of the station. FHP also installed the new power and communication systems and did interior finishing work at the Sedgwick Stations. The CTA reopened this station for revenue service on November 12, 2007. At the Chicago Station, FHP erected structural steel for the new elevators and started station brick work.

At the Addison and Montrose stations, McHugh Construction Co. (McHugh) installed the platform lights and speakers, finished the station interiors and installed the fare equipment. The CTA reopened the Montrose Station on November 26, 2007 and the Addison Station on December 3, 2007 for revenue service. The CTA temporarily closed the Damen and Irving Park stations on November 26, 2007 and December 3, 2007 respectively for reconstruction. The CTA has completed or nearly completed work at eight of the 18 Brown Line stations that will be reconstructed for the capacity expansion.

At the Diversey and Southport stations this quarter, FHP continued to replace column foundations for the elevated structure near the stations. FHP poured the foundations for the elevators, stairs and new portions of the station house at the Diversey Station in addition to erecting the structural steel for the elevators. At the Southport Station, FHP painted the new structural steel, install platform joists, stringer and decking and poured the foundations for the stairs and stationhouse.

#### Upgrade Signal and Traction Power Systems

Aldridge Mass, a Joint Venture, (AM), is the CTA's contractor to replace the signal and traction control systems and upgrade the communication system on the Blue Line between the Des Plaines Station on the Congress Branch and the Jefferson Park Station on the O'Hare Branch including the Dearborn Subway. During the fourth quarter, AM began the installation and testing of fiber optic and copper cables for the communication system from the Forest Park terminal to the Western interlocker on the Congress Branch.

AM continued restoration work at seven signal rooms in the Dearborn Subway and the installation of communication cable brackets, messenger wire and brackets and signal platforms on the Milwaukee elevated section of Blue Line. On the O'Hare Branch, AM continued the installation and testing on the communication cable and the installation of signal devices at the Jefferson Park and Montrose interlockers.

Divane Brothers Electric Company (Divane) is the CTA's contractor to replace the signal and train control systems on the Loop elevated tracks. Divane is also installing new interlockers at the Lake/Wells and Van Buren/Wabash junctions and constructing a new control tower at the junction of Lake and Wells streets. Divane continue work this quarter on the block signal design, installation of cable brackets and surveys and measurements. Divane began the installation of conduit and wiring and signal platform framing.

# Fourth Quarter 2007

### CTA (cont.)

#### Construct Washington Intermodal Station

Kiewit Reyes, a Joint Venture, (KR) is the CTA's contractor to build connecting tunnels and install track to link the State Street and Dearborn subways and connect these subways to a new rapid station at 108 N. State Street in the Chicago Loop. KR started the installation of deck beams for the tunnel at State and Washington streets. KR continued utility relocation needed for the tunnels. During the quarter, KR completed replacement of wood half-ties with concrete half-ties in Dearborn Subway and continued this work in the State Street Subway.

#### Purchase 1,050 Low-Floor Buses

During the fourth quarter, New Flyer of America (New Flyer) delivered 85 low-floor standard buses. New Flyer has delivered a total of 505 of these buses to date. In the second quarter, the CTA exercised the final two options in their contract with New Flyer to purchase an additional 400 buses for a total of 1,030 buses.

#### Purchase 406 Rapid Transit Cars

In 2006, the CTA awarded a contract to Bombardier Transit Corporation to purchase 406 rapid transit cars. The contract has options that will permit the CTA to purchase an additional 300 rapid transit cars for a total of 706 cars. The CTA completed the preliminary design for the new cars in June 2007 and was doing the final design review in this quarter. The CTA anticipates that Bombardier will deliver the first prototype car by the end of 2008 and the first production cars in late 2009.

#### Eliminate Slow Zones on Rail Lines

In July 2007, the CTA announced a program to accelerate the track repairs needed to permit trains to run at normal operating speeds on CTA rail lines. Track on the Red and Blue lines were selected as the first locations for this work. The CTA amended a contract with Kiewit Reyes, a Joint Venture, (KR) to replace 8,500 wooden ties with concrete ties in the State Street Subway on the Red Line. This is in addition to 8,000 ties in this subway and in the Dearborn Subway on the Blue Line that were being replaced as a part of this contract.

The CTA awarded two contracts in the fourth quarter for track repairs to eliminate slow zones. The CTA awarded a contract to KR for repair work on 100,000 feet of track on the O'Hare Branch of the Blue Line and contract to Aldridge Electric, Inc. to replace wooden ties with concrete ties in the State Street Subway from Clark and Division streets to just north of North and Clybourn streets and between Lake Street and Roosevelt Road.

By the end of the year, the CTA was able to eliminate over 59,000 feet of slow zones. This included 18,000 feet in the Dearborn Subway, 8,000 feet in the State Street Subway and 22,500 feet on O'Hare Branch of the Blue Line from Harlem to Jefferson Park.

# Fourth Quarter 2007

#### Metra

#### Provide for Locomotive and Commuter Car Enhancements

Metra is updating their locomotives and commuter cars with technological innovations which will provide operational enhancements. These enhancements include the purchase of training simulators for engineers on cab cars, locomotives and highliner cars and the purchase of an Electronic Train Management System (ETMS) that will integrate with existing train control and operating systems to help prevent track authority and speed limit violations and unauthorized entry into work zones. Metra is also installing additional emergency exit and entry windows on commuter cars and purchasing emergency vehicles for towing disabled trains on the Electric District.

In the fourth quarter, Metra completed the installation of the ETMS at v arious locations on the Rock Island District. Metra also completed installation of the system on eleven locomotives and eight cab cars. During this quarter, Metra increased funding from current year grants for their contract with Wabtec Railway Electronics for the purchase of the ETMS and their labor forces for the installation of the system.

#### <u>Upgrade 47th Street Yard and Shops – Rock Island District</u>

Metra is upgrading and modernizing the 47th Street Yard and Shops on the Rock Island District to provide for efficient and reliable operations. For the current phase of this upgrade, Metra is rebuilding yard platforms and utilities and paving roadways. Metra previously completed work to replace a sand tower and a drop table and to construct a welfare facility for workers in this phase of the work. During this quarter, Metra awarded a contract to G G Connections, Inc. for asphalt paving services for platforms and roads. Metra also set aside funds for their labor forces to construct maintenance platforms and upgrade track work and rail ties in the yard.

#### Replace Gresham Interlocker – Rock Island District

Metra is modernizing and upgrading the Gresham Interlocker located near 88th and Vincennes streets in Chicago on the Rock Island District (RID) where the Beverly Branch diverges from the main line. This interlocker is over fifty years old and replacement parts are impossible to procure. A new interlocker will improve train operations while reducing operating cost. Metra will also move control of the interlocker from the Gresham Tower to their Consolidated Control Facility to provide better coordination of traffic on the RID line. Metra awarded a contract to Alstom Signaling, Inc. to replace the Gresham interlocker.

#### Reconstruct Six stations on the South Chicago Branch of the Metra Electric District

In 2006, Metra awarded a contract to John Burns Construction Co. to reconstruct the Windsor Park Station at 75<sup>th</sup> Street and Cheltenham Station at 79<sup>th</sup> Street on the South Chicago Branch of the Metra Electric District. These stations have become severely deteriorated and will be rehabilitated in compliance with the *Americans with Disabilities Act* to be made fully accessible. In addition, Metra is doing work on track, signal and grade crossings near these stations.

At the end of this quarter, Metra had completed 75 percent of the reconstruction for the Windsor Park and Cheltenham stations. Metra expects to complete these two stations by the end of 2008. Metra previously completed the reconstruction of the stations at 83rd and 87th streets in 2004 and the Stony Island and Bryn Mawr stations in 2006.

# Fourth Quarter 2007

### Metra (cont.)

#### Replace Ties and Ballast - Rock Island District

Metra is replacing ties and ballast on the Rock Island District (RID) for over 30 miles of track from near the Gresham Station in Chicago to west of the Joliet Union depot in Will County. The replacement of ties and ballast is necessary to maintain proper track gauge and surface to allow higher operating speeds for trains, a smoother, quieter ride for the public and reduced maintenance expenses. Metra started the replacement work in October 2007.

#### Replace 24 Bridges between 18th and 60th Streets - Rock Island District

Metra is replacing 24 bridges between 18<sup>th</sup> and 60<sup>th</sup> streets on the Rock Island District in Chicago. This work includes replacing the deck, spans and substructure for each bridge, raising the embankment to increase the clearance over roadways and installing new tracks and signal system between 18<sup>th</sup> and 60<sup>th</sup> streets. During this quarter, Metra continued installing new signal equipment and track work associated with these bridges. Metra had previously completed the bridge renewal work. Metra anticipates that all work for this project will be done by the end of 2008.

#### **Pace**

#### Purchase Community Vehicles

During the fourth quarter of 2007, Pace awarded a contract to Midwest Transit to purchase five 28 passenger vehicles for the Community Vehicle Program. These vehicles will be operated by the Village of Downers Grove under a contract with Pace for their community shuttle service.

During this quarter, Central State Bus Sales delivered 28 community vehicles to Pace. Community based services provide short distance mobility within local communities. These services include such things as demand response services, rush hour feeder services and community circulators. They are a customized mix of services tailored to meet the travel patterns and needs of the community.

#### <u>Implement Enterprise Resource Planning System</u>

During the fourth quarter, Pace amended their contract with Booz Allen Hamilton to add funding for Phase II B of the implementation of the Oracle E-Business Suite Enterprise Resource Planning (ERP) system. This phase includes the implementation of modules for budget, accounts receivable, cash management, order management, electronic payments and purchases including the ticket by mail program and grants functions.

In this quarter, Pace completed work for Phase II A of this implementation for the accounts payable, general ledger, purchasing and requisition functions. Pace went live for the use of these modules of the ERP system on January 2, 2008.

#### Purchase Computer Software and Equipment for Ride-in-Kane Project

Pace is instituting a new service in Kane County to provide increased mobility for older adults, people with disabilities and low income families throughout the county. The Ride-In-Kane project will amalgamate service providers, link modes of transportation and eliminate fragmented service areas. Pace awarded contracts to Mentor Engineering for 35 Mobile Data Terminals/Automatic Vehicle Locator (MDT/AVL) units. These units will allow bus drivers to be in constant contact with dispatchers to improve scheduling and dispatching of trips. Pace also awarded a contract to Trapeze Software Group, Inc. for a dispatch and scheduling software system for Kane County.